

APPENDIX VIII  
REGULATION OF MEMBER OF BOARD OF  
GOVERNORS OF BANK INDONESIA  
NUMBER 20/18/PADG/2018  
DATED 21 AUGUST 2018  
ON HEDGE SWAP TRANSACTIONS TO BANK  
INDONESIA

EXAMPLE OF NETTING SETTLEMENT CALCULATION FOR THE NOMINAL  
VALUE MATCHING TO THE BANK'S OUTSTANDING OFFSHORE LOAN AT  
EACH EXTENSION PERIOD OF HEDGING SWAP TRANSACTION TO BANK  
INDONESIA

A. HEDGING CONTRACT

1. Schedule for installment payment of Offshore Loan: USD10 million every year for 2 years.
2. Nominal Value of Hedging Contract:
  - a. USD20 million for the first year.
  - b. USD10 million for the second year.
3. Period of Hedging Contract: 2 year.

B. HEDGING SWAP TRANSACTIONS TO BANK INDONESIA

1. Term: 12 months.
2. Nominal: USD20 million.
3. Transaction date: 12 February 2019.
4. Value date (first leg settlement of swap 1): 14 February 2019.
5. JISDOR on 12 February 2019: IDR12,000.00.
6. Swap premium for 12 months: IDR900.00.
7. Due value date (second leg settlement of swap 1): 14 February 2020.
8. Rate in the second leg settlement of swap 1: IDR12,900.00.

C. EXTENSION OF HEDGE SWAP TRANSACTIONS TO BANK INDONESIA

1. Extension period: 12 months.
2. Nominal: USD10 million.
3. Extension transaction date: 12 February 2020.
4. Extension value date (first leg settlement of swap 2): 14 February 2020.
5. JISDOR on 12 February 2020: IDR12,500.00.

6. Swap premium for 12 months: IDR950.00.

#### D. SETTLEMENT OF HEDGE SWAP TRANSACTION TO BANK INDONESIA

##### Settlement Calculation

1. When a Swap Transaction falls due, calculation of the second leg settlement of swap 1 on 14 February 2020 is as follows:
  - a. Bank Indonesia will return to the Bank: USD20 million.
  - b. Bank will return to Bank Indonesia:  $(\text{IDR}12,000.00 + \text{IDR}900.00) \times \text{USD}20 \text{ million} = \text{IDR}258 \text{ billion}$ .
2. During a Swap Transaction extension, calculation of the first leg settlement of swap 2 on 14 February 2020 is as follows:
  - a. Bank Indonesia will receive transfer from the Bank of: USD10 million.
  - b. Bank will receive from Bank Indonesia:  $\text{IDR}12,500.00 \times \text{USD}10 \text{ million} = \text{IDR}125 \text{ billion}$ .

##### Transaction Settlement

Netting settlement on 14 February 2020 is as follows:

- a. USD settlement =  $\text{USD}20 \text{ million} - \text{USD}10 \text{ million} = \text{USD}10 \text{ million}$ .
- b. IDR settlement =  $\text{IDR}258 \text{ billion} - \text{IDR}125 \text{ billion} = \text{IDR}133 \text{ billion}$ .

Based on the netting settlement calculation:

- a. Bank Indonesia will transfer to the Bank's account with a correspondent bank an amount of USD10 million.
- b. Bank Indonesia will debit from the Bank's rupiah checking account an amount of IDR133 billion.

MEMBER OF BOARD OF GOVERNORS  
OF BANK INDONESIA,

ERWIN RIJANTO